

**FIVE POINTS/FAIRMOUNT PARK
COMMERCIAL AREAS MARKET STUDY**

Basile Baumann Prost & Associates, Inc. October 20, 2000

EXECUTIVE SUMMARY

Report Purpose

This report evaluates existing conditions and makes marketing recommendations for the Five Points and Fairmount Park commercial market areas.

Work Completed

- Interviewed community representatives, real estate agents, property owners, business representatives, and city officials.
- Convened community meetings and solicited feedback
- Conducted field survey of neighborhoods
- Identified primary and secondary market areas
- Conducted demographic and economic data analysis
- Prepared a retail market analysis
- Analyzed competitive market position
- Made marketing recommendations

Economic/Demographic Findings

- The population of the market area and the City of Norfolk is stable; projections show this is not expected to change.
- Median Household Income- The market and reference areas have lower median household incomes than the state, but income growth trends compare to that of the state and are higher than that of the nation.
- Household Income Distribution- In the 1990s the below-median income groups in the market area declined and the upper income groups increased.
- There are approximately equal numbers of African-Americans and whites in the market area.
- The area's population is aging. In 1999 a higher percentage of the market and reference area's population was in older age increments than in 1990.
- Retail Sales/Establishments - The largest amount of retail sales in the market area is made by Automotive Dealers and Gasoline Service Stations, with over \$400 million in sales. The second highest amount of sales is made by food stores.

- Retail Spending - Market area residents spend the most dollars on the following products and services:

Groceries	\$58 million
Home Loans	\$47 million
Auto Loans	\$23 million
Apparel	\$18 million
Home Improvement	\$17 million
Restaurants	\$15 million

Spending by market area households on the following products and services is equal to or higher than that of the average U.S. household:

Infants' Apparel
Cable TV
Maintenance & Repair
Video Equipment

- In 1999 the market area's retail business sales were \$600 million more than market area residents spent on those retail goods. Net inflow accounts for 83 percent of the retail sales made within the market area for the identified retail categories.
- The Automotive Aftermarket accounts for approximately two-thirds of the total retail inflow. Only Apparel has a sales outflow (less apparel sales within the market area than expenditures of market area residents on apparel).

Grocery Store Analysis

- Currently grocery store sales in the market area are \$115.6 million. The spending by residents on food is \$58.2 million, therefore there is a net sales inflow of \$57.4 million.
- The market area is currently well served by grocery stores. The addition of a modest amount of new grocery space from a new Food Lion and Be-Lo expansion will encourage only modest additional inflow to the area, particularly since the Food Lion is located near the periphery of the market area. Therefore, it is likely that the market could support the Be-Lo expansion in addition to the development of the new Food Lion.

Marketing Recommendations: Five Points Commercial Area

BBPA recommends a strengthening of the retail development in Five Points through a policy of retention and reinforcement, supplemented by attraction of

new businesses to fill vacant retail structures. For the Five Points commercial area, the following marketing themes should be emphasized:

- Focusing on auto-oriented businesses on Chesapeake Boulevard
- Focusing on neighborhood-serving businesses on Sewell's Point Road
- Establishing a focal point for the community on Sewell's Point Road that encourages social interaction and clusters neighborhood institutions
- Working with churches and neighborhood groups to establish a mutually supportive relationship
- Establishing a community marketplace
- Highlighting affordable retail and office space
- Other themes that might be considered for both the commercial and residential areas include architecture, design, and history

Marketing Recommendations for Chesapeake Boulevard and Sewell's Point Road Sections of Five Points Commercial Area:

- The Chesapeake Boulevard section of the Five Points commercial area should be targeted for business retention, supplemented by business attraction to fill any vacant retail structures.
- The businesses along Sewell's Point Road are more neighborhood-serving and have less through traffic. Business retention should be emphasized in the Sewell's Point Road area, and businesses should be marketed to serve the neighborhood.

Marketing Recommendations: Fairmount Park

- Emphasis should be placed on retention of commercial concentrations on Tidewater Drive. Redevelopment of housing throughout the residential sections of Fairmount Park should also be undertaken.
- The City should consider upgrading the appearance of selected streets, especially Tidewater Drive.
- The appearance of neighborhood businesses and business properties should be improved to make them more attractive to potential customers.
- BBPA recommends that community business representatives consider the formation of a business advocacy group with the City. This group could take a leading role in the implementation of measures to enhance the business environment.
- As an initial residential marketing theme, the neighborhood homes should be marketed to young, first-time homebuyers as starter homes, with excellent access to downtown Norfolk, area military bases and interstate highways.
- BBPA recommends that three strategic locations in the community be designated as "Gateways to Fairmount Park". These locations should be targeted for beautification, landscaping, maintenance, cleaning, and

welcome/directional signage. The gateways should be established at the intersection of Tidewater Drive and Cromwell Road, Tidewater Drive and Shoop Avenue, and Tidewater Drive and Lafayette Boulevard.

Marketing Recommendations for Lafayette Boulevard:

- The marketing strategy for the Boulevard should focus on maintaining existing businesses where possible and encouraging residential redevelopment. Residentially zoned properties should not be converted to commercial space.

Marketing Recommendations for Tidewater Drive:

- Emphasis should be on maintaining existing *sustainable* businesses. These businesses include the drug stores, restaurants, hardware store, auto-related businesses, and audio/video store, among others.
- Redevelopment of the southeast corner of Tidewater Drive and Lafayette Boulevard, which is located at a strategic location and affects the neighborhood's image, should be assisted by the city.
- For the Tidewater Drive commercial area, the following marketing themes should be emphasized:
 - Focusing on regional-serving businesses that attract through-traffic
 - Cleaning, maintenance, and other aesthetic improvements
 - Highlighting affordable retail and office space
 - Forming a business organization